

**UNITED STATES SENATE
SPECIAL COMMITTEE ON AGING**

John T. Stevens, Jr.

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My wife and I wish to thank this committee for their concern over how Identity Theft can affect the senior citizens of this country. I am 74 years old and my wife is three years younger. We have been married for almost 49 years. We can tell you first hand that fighting identity theft is not a very pleasant experience. Once it happens it can consume your life for years. We are still fighting it after five years. Its life is extended by the cavalier attitude of the creditors and the credit bureaus and their reluctance to establish policies and procedures that will reduce its occurrence. This is especially evident when these policies conflict with the convenience of opening an account or the money generated from their accounts. They have even refused to prosecute the persons, who commit this crime, when they are identified. We hope that by speaking here today we can bring you some understanding of this crime and how the creditors and the credit bureaus perpetuate it through their inaction, indifference and profit first attitude. Two years ago we heard testimony before the House Social Security Subcommittee about all the fabulous safeguards the credit bureaus were going to implement to protect the consumer from identity theft. We have not experienced any of these changes. When we testified before a committee of the House of Delegates in Maryland for the third time, we heard from the credit bureaus, insurance companies and government agencies how everything would come to a halt if the social security number could not be used to identify a person or exchange data. It would be inconvenient for them to use other means to verify the identity of a person. I wonder how businesses and government agencies managed to exist before 1935. The first social security cards issued had a warning, "NOT FOR IDENTIFICATION". Again the bill did not pass. Once again we were sacrificed on the altar of profit and convenience. Our nightmare began in March 1997 with a phone call from (then) Nations Bank. They demanded payments on a Jeep Cherokee financed through them last year. I told them that I do not have a Jeep Cherokee. I faxed them a copy of my drivers license and they faxed me a copy of the application. The only thing correct on the application was my first and last name and social security number. Nations Bank in Wichita Falls, Texas approved the application showing a local address in Texas. Although I have lived in Maryland since 1966, the Texas address was accepted and the application approved. We immediately requested copies of our credit reports. The results? A total of 33 fraud accounts with a monetary value of \$113,000. There were a total of five automobiles purchased. What is ironic is that this had been going on for about a year and we were not aware of it until after the Nations Bank phone call. This was only one of five fraud accounts opened in Texas with Nations Bank. I already had a checking account with them opened in 1950 when I first went on active duty in the Air Force. My bank statements have come to my address in Maryland since I was stationed at the Pentagon in 1966. The date of birth shown on the applications showed that my social security number, which they were using, was issued before they were born. Nobody bothered to compare the application data with that given in a 45-year-old active checking account showing a different address and age. The fraud address and employment data was accepted by the credit bureau and became a part of my credit report. It still keeps reappearing in my credit reports although I have corrected it many times.

account numbers. A letter to the credit bureau would sometimes clear this account from our report when we were able to link it to a previously cleared fraud account. However, it would usually reappear in our report after three to four months. If the third party collection agency cleared the account, it would end up with another collection agency or, in some cases, with the same collection agency and back into our credit report. So far we have dealt with fourteen third party collection agencies. They are not pleasant people to deal with. They are rude, nasty, insulting and determined that this is "your debt and "you" will pay it, or else we will ruin your credit rating. We refused to be intimidated by their threats and they ruined our credit rating. One of the worst was Household Bank. They opened an account over the phone and delivered an Oreck vacuum cleaner to an address in Wichita Falls, Texas. When the delinquent account appeared in my credit report I wrote a letter to the credit bureau challenging this account. After their usual 30-day investigation, Equifax stated in their report "This creditor has verified that this account information is being reported correctly". I contacted Household Bank directly. They are the most arrogant, rudest people I have ever dealt with. They were rude and insulting to my attorney and me. At first they refused to accept my sworn affidavit. Household Bank finally accepted my affidavit and this account was temporarily removed from my credit report until it reappeared through a third party collection agency. I have cleared it with this agency four times. The last credit report I received, prior to testifying before a committee of the Maryland House of Delegates, showed that it had again been returned to my report. This is only one of many cleared fraud accounts that keep reappearing in our credit reports. To paraphrase Forest Gump, "Getting a credit report is like opening a box of chocolates, you never know what you are going to get".

We have had to continuously fight fraud accounts that keep reappearing in our credit reports after they are cleared. These creditors are very persistent and determined to harass us until they make us pay, even a reduced amount, on these fraud accounts. Some people will pay them just to get rid of their constant abuse and harassment. What they are not told is that this fraud information will remain in their credit report for seven years. Paying any amount is an admission of guilt. My wife and I are concerned that these fraud accounts will show up again when our estate goes to probate. They will probably try again to extort money from us with what they know to be fraud accounts.

We tried to get assistance for our legal expenses and telephone bills through our homeowner's insurance policy. USAA replied to me, "There has been no direct physical loss to personal property; no apparent actual credit card theft forgery on accounts established by you, or issued to you. Having your credit record questioned is not a loss that would be covered in our policy contract, under the Additional Coverage provision of your policy". We had another home insured by Armed Forces Insurance. They provided \$1000 to help offset some of our expenses. Our legal expenses have exceeded \$6000 plus phone bills to track down the fraud accounts. Last year we obtained the name of an attorney in Louisiana who agreed to take our case. This was the only way that we knew to stop the constant harassment and attempts to extort money from us by creditors and credit bureaus. We were blocked from taking any action because of a court decision placing a two-year time limit on taking legal action against a fraud account. Some of the accounts were two years old before we knew they existed or figured out what to do to fight them.

companies raise the rate on automobile insurance after age 70. Magazines will send a bill for a subscription that you did not order or want to renew. I had to write Readers Digest when they threatened my Mother with a collection agency if she did not send the payment for a subscription she did not renew. They withdrew their threat when they could not produce an authorization from her to renew the subscription. Never pay a bill until you are sure it is legitimate. Why do we always have to "Opt out" of having your name and personal information distributed by a company or bank? Why shouldn't it only be to "Opt in" if you wish to be hassled by everyone trying to sell you something. My wife and I continuously warn people about identity theft and how to avoid telemarketing annoyances and possible scams. We tell them to call the Federal Trade Commission at 1-877-IDTHEFT and request their booklet and get a councilor if you need help. If a store or business wants to write your social security number on a check or charge slip, walk away and leave the purchases on the counter. When Alltel required us to put our social security number on a cell phone application, we bought the service from another company. It is our policy NEVER to buy anything over the phone when you did not initiate the call. Don't be polite to them. Just hang up. Never buy anything from a door-to-door salesman or a contractor "who just happens to be in the neighborhood". Medical insurance companies routinely disapprove a bill on the first submission. I had to correspond with Medicare for over a year before they finally paid the claims for my Mother and stepfather. She had already paid over \$10000 in bills, thinking that Medicare did not cover them. Medicare supplemental insurance sometimes has to be routinely resubmitted before the bill is paid. I still have a dental insurance claim, which is almost a year old that has been resubmitted three times. By not paying claims on time, the insurance companies can cause a medical bill to be sent to a third party collection agency and ruin a person's credit

It seems that we are fighting a never-ending battle against Identity Theft. We have observed that any legislation that is proposed, which restricts the operation of a creditor or credit bureau, is doomed to failure. Any bill that limits the use of the social security number as the primary means of identification or linking databases, does not pass. We, the consumers, are limited in our legal options against creditors and other businesses that cause and perpetuate identity theft problems through their negligence. We are forced into a two-year limit on taking legal steps on identity theft or required to accept arbitration through an arbitrator selected by the creditor. We have watched as bills, which would help us, are defeated or never come up for a vote. Is it because they would make banks and credit card companies accountable and responsible for their actions? We can only hope that more people will follow our example. We refuse to do business with anyone who wants our social security number without a legitimate reason. We throw away junk mail and never talk to telemarketers. I delete, without reading, the "cookie" generated e-mail that I get on my computer. I also block and delete "cookies". Door to door salesman are not welcome at our house. In short, the banks and other businesses may distribute and share information about us against our wishes, consent or knowledge, but they are wasting their money. We will not respond or spend one dime on the products or services they are hoping to sell us. Our feelings can be simply expressed by quoting a line from the movie "Network", "We're mad as hell and we're not going to take it anymore". It's time to throw Moneychangers out of the Temple!